

AGENDA: June 8, 2004

7.1

CATEGORY: New Business

DEPT.: Community Development

TITLE: Work Program for Processing Mayfield Mall Redevelopment Applications

RECOMMENDATION

That the City Council approve a work program for processing the applications for General Plan, Precise Plan and Planned Community Permit approvals for redevelopment of the former Hewlett-Packard office center in the Mayfield Mall Precise Plan area.

FISCAL IMPACT

On May 11, 2004, the City Council gave "gatekeeper" approval to the assignment of about 1.3 full-time equivalent (FTE) persons in the 2004-05 and 2005-06 fiscal years to process these applications. The costs will be reimbursed by the applicant under the City's cost-recovery policy.

BACKGROUND AND ANALYSIS

On April 19, 2004, Toll Brothers, Inc., submitted an application to revise the General Plan and Mayfield Mall Precise Plan to allow redevelopment of the Hewlett-Packard office center at the intersection of San Antonio Road and Central Expressway. The applications are for land use and zoning changes that would allow residential and commercial uses. The applications apply to approximately 22.5 acres of the 27-acre site that are in the City of Mountain View. The remaining 4.5 acres are in Palo Alto (see map, Attachment 1).

These applications have been anticipated for some time, and the City Council has held three study sessions to discuss potential redevelopment. As noted above, the Council authorized staff to begin processing the applications on May 11, 2004.

Staff has worked with the applicant and the neighborhood in drafting a work program for processing the applications. On May 19, 2004, the Environmental Planning Commission (EPC) reviewed two alternatives for the work program and recommended an 18- or 19-month process ending in December 2005 or January 2006 (see Attachment 2). The work program originally recommended by staff was a 21-month process ending in March 2006 (see Attachment 3).

Both work programs would start with a series of two to three neighborhood/stakeholder meetings to review alternative development scenarios for the site (Phase 1). (Meeting dates have changed since the EPC reviewed the work program, but this did not alter the overall schedule.) This phase would conclude with the Council's informal acceptance of several alternatives to be reviewed in the Environmental Impact Report (EIR). One alternative would be the "Preferred Project," a term used in environmental impact reports.

Phase 2 would be reviewing the General Plan change, drafting the revised Precise Plan and preparing the EIR based on the Preferred Project. Phase 3 is review and approval of the Planned Community Permit (PCP).

Under both work programs, Phase 1 would end in November 2004. After that, there is some overlap of EIR/General Plan/Precise Plan review (Phase 2) and PCP review (Phase 3). Under the 18-month process, the EPC would make its recommendations on the General Plan and Precise Plan, but Council approval would be held in abeyance while the applicant finalizes the design for the project and the PCP goes through its separate review process with the Zoning Administrator. Then, all three permits and the EIR would be considered by the City Council at the same time. Both Phases 2 and 3 would end in December 2005 or January 2006.

Under an alternative 21-month process that the EPC did not recommend, the Council would first approve the EIR and basic zoning and policies for the site (General Plan/Precise Plan), with Phase 2 ending in October 2005, and then the applicant would finalize the design for the project. After that, the Council would approve the PCP, with Phase 3 ending in March 2006.

Toll Brothers prefers the 18- to 19-month process because City approvals of the EIR, General Plan, Precise Plan and PCP are given concurrently. However, there is a greater risk to the applicant because final plans for the PCP are being prepared before there is certainty about the General Plan designation and the zoning. The 21-month process provides greater certainty about the General Plan and zoning before final drawings are prepared but may require additional environmental review if the final project varies from the project reviewed in the EIR.

Staff has indicated that it will make every effort to meet the schedule, whether it is 18 months or 21 months, but the shorter time line will mean a very intense process. Completion on schedule will depend on maximum cooperation among all interested parties and minimal unexpected occurrences. Even then, the applicant understands that completion on schedule cannot be guaranteed.

These work programs do not include the Palo Alto process. However, Palo Alto staff has indicated that the EIR to be certified by the Mountain View City Council can be used for review of the development in Palo Alto as well, provided Palo Alto's concerns and issues are

addressed. Staff understands that the Toll Brothers will not be applying for any zone changes in Palo Alto. Only project approval will be required, and Palo Alto's informal review process will be somewhat concurrent with Mountain View's.

EPC Comments

In reviewing the work program, the EPC approved a motion (4-1) stating that their recommended guidelines for the site are: priority for open space and a public park; focused consideration of densities; and consideration of mixed use, traffic and a gradation of heights, with lower heights closest to the existing neighborhood (see Attachments 4 and 5).

Consultants

As previously indicated, consultants will be needed for the EIR, including subconsultants for a traffic study, a tree survey, an archaeological evaluation and possibly other issues. In addition, an urban design consultant will be needed to assist staff in reviewing plans and in drafting design standards and guidelines for the Precise Plan (similar to the Downtown Precise Plan update process).

Based on discussions at the Council study sessions over the past nine months, a fiscal consultant will also be needed to evaluate alternatives. The consultant would make comparisons of tax revenues and costs of services for each of the alternatives to be studied in the EIR. A fiscal impact analysis is also required as a part of gatekeeper review and was deferred at that time because of the intention to undertake a more in-depth analysis during the project review process. Since the Council originally discussed alternatives and fiscal impacts in the study sessions, the redevelopment project has become more focused on housing and commercial as compared to a broad range of different land uses, such as offices, major commercial or exclusively single-family residential. It now appears that the alternatives will all be various combinations of residential and commercial which may not have significantly different fiscal impacts. If the Council feels a full cost revenue analysis is not needed, it may wish to eliminate the fiscal impact study or reduce the scope to simply address potential increases in property and sales taxes under each alternative.

All consultant costs will be borne by the applicants.

Annexation

At the March 23, 2004 study session on Mayfield, a Councilmember asked about the feasibility of deannexing the 4.5-acre area from Palo Alto and annexing it to Mountain View. According to Local Agency Formation Commission staff, this would be a "reorganization." Both Palo Alto and Mountain View city councils would have to pass resolutions supporting the

boundary change (deannexation from Palo Alto and annexation to Mountain View). With both cities and the property owner in agreement, it would be a fairly simple process that could take as little as six months. If there were opposition, it would take longer. A related issue is whether the school district boundaries should also change. School district boundary changes are governed by the County Boards of Education.

Palo Alto's position regarding potential deannexation, now or in the future, is not known. Staff is in the process of attempting to clarify Palo Alto's position on this topic.

A boundary change would facilitate the development approval process, simplify provision of City services in the future and contribute to a stronger sense of community within the new neighborhood. Along with the additional land area, Mountain View would have increased property tax revenues as well as increased service costs.

The issue of annexation was also discussed in 1983 to 1985, when Mountain View was processing the Precise Plan for conversion of the Mayfield Mall to the Hewlett-Packard office facility. However, the issue was dropped because there appeared to be little benefit from pursuing annexation when the only improvements in the 4.5-acre area were parking (including a small portion of the parking structure).

CONCLUSION

Staff is prepared to implement either the 18-month or the 21-month process as directed by the City Council.

ALTERNATIVES

Alternatives that the City Council may wish to consider are:

1. Eliminate the fiscal impact study, or significantly reduce its scope to an estimate of property and sales tax revenues from the alternatives.
2. Pursue the issue of annexation.

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PUBLIC NOTICING

Agenda posting and newspaper notice. Copies of the staff report were sent to the applicant, the Monta Loma Neighborhood Association and the City of Palo Alto.

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Attachments: 1. Map
 2. 18-Month or 19-Month Work Program
 3. 21-Month Work Program
 4. EPC Staff Report, May 19, 2004
 5. EPC Minutes, May 19, 2004

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